

Message Text

LIMITED OFFICIAL USE

PAGE 01 JAKART 07056 101215Z

53

ACTION SPM-01

INFO OCT-01 EA-11 ISO-00 AID-20 USIA-15 HEW-08 CIAE-00

INR-10 NSAE-00 RSC-01 EB-11 AGR-20 SWF-02 COME-00

OMB-01 TRSE-00 SIL-01 LAB-06 IO-14 DRC-01 /123 W

----- 095759

R 100352Z JUN 74

FM AMEMBASSY JAKARTA

TO SECSTATE WASHDC 2715

LIMITED OFFICIAL USE JAKARTA 7056

E.O. 11652: N/A

TAGS: SPOP

SUBJ: REVIEW OF POPULATION POLICIES AND PROGRAMS

REF: A) STATE 112325 B) JAKARTA 4083 C) USAID POPULATION
SECTOR REVIEW

1. INDONESIA'S 1974 POPULATION IS ESTIMATED AT 129 MILLION AND GROWING AT THE RATE OF 2.4 PERCENT A YEAR. THE COUNTRY HAS A YOUNG AGE STRUCTURE WITH POPULATION CONCENTRATION A SERIOUS PROBLEM. 81 MILLION PEOPLE, 63 PERCENT OF THE POPULATION, LIVE ON JAVA WHICH HAS 7 PERCENT OF THE LAND AREA. RURAL-URBAN MIGRATION HAS BEEN RELATIVELY SLOW DURING THE 1961-1971 PERIOD BUT WILL RAPIDLY ACCELERATE ON JAVA WITH CONTINUED OVERCROWDING AND OVER-EXPLOITATION OF THE LAND WHICH MAY BE CONTRIBUTING TO A BREAKDOWN IN TRADITIONAL VILLAGE SHARING PRACTICES. ADDITIONALLY, THE CURRENT "BOOM" OF THE 70S IN THE INDUSTRIAL CITIES, COUPLED WITH THE LARGE COHORTS OF HIGHLY MOBILE AGES OF RESTLESS YOUNG ADULTS, WILL RAPIDLY ACCELERATE THE RURAL-URBAN MOVEMENT.

2. INDONESIA'S DEVELOPMENTAL PROSPECTS MUST BE VIEWED IN THE CONTEXT OF THE ABOVE POPULATION DYNAMIC. ALTHOUGH THE COUNTRY IS WELL ENDOWED WITH NATURAL RESOURCES,
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 JAKART 07056 101215Z

EXTRACTIVE INDUSTRIES TEND TO BE CAPITAL INTENSIVE

AND REQUIRE SKILLED LABOR. IDNONESEA HAS AS YET FAILED TO EXPLOIT OPPORTUNITIES FOR LARGE-SCALE INDUSTRIAL EMPLOYMENT IN ELECTRONICS AND OTHER LABOR-INTENSIVE EXPORT PROCESSING INDUSTRIES. THESE CONDITIONS MITIGATE AGAINST SIGNIFICAN EMPLOYMENT OPPORTUNITIES FOR THE SWARMS OF INDONESIANS ALREADY SEEKIN WORK. IT IS CLEAR THAT FOR THE FORESEEABLE FUTURE THE PRIMARY FOCUS ON INDONESIA'S ECONOMIC DEVELOPMENT SHOULD BE ON RURAL AND AGRICULTURAL DEVELOPMENT. BUT ITS RESOURCES FOR DEVELOPMENT WILL BE DRAINED HEAVILY BY DIVERSION TO FEEDING, HOUSING AND CLOTHING ITS RAPIDLY GROWING POPULATION. THUS, INDONESIA'S DRIVE TO INDUSTRIALIZATION MAY HAVE TO BE TEMPERED BY DEMOGRAPHIC REALITIES.

3. DRAMATIC IMPROVEMENT IN EXPORT EARNINGS, ESPECIALLY FROM PETROLEUM ALONG WITH OTHER NATURAL RESOURCES, COMBMINED WITH SOME SUCCESS IN INCLUDING THE RURAL PEOPLES IN THE DEVELPMENTAL PROCESS WILL GREATLY INCREASE DEMAND FOR GOODS THE U.S. EXPORTS. IN THE AREA OF FOOD THE GOI IS MODESTLY CONFIDENT THAT A 4-5 PERCENT ANNUAL INCREASE IN RICE OUTPUT FOR THE CURRENT FIVE-YEAR PLAN CAN BE MET. IN 1973 IT IS ESTIMATED THAT INDONESIA IMPORTED ABOUT 2,000,000 TONS RICE AND OTHER GRAINS. FOOD IMPORTS WILL REMAIN HIGH FOR 1974-75, AND COULD WELL EXPAND WITH WEATHER SET BACKS AND REDUCED OPPORTUNITIES TO EXPAND CULTIVATED LAND AND USE OF IMPROVED VARIETIES OF OTHER INPUTS.

4. THE DISORDERS OF JANUARY 1974 VIVIDLY ILLUSTRATE THE POTENTIAL FOR DOMESTIC INSTABILITY AS INDONESIA STRUGGLES TO EFFECT A SOCIAL AND ECONOMIC TRANSFORMATION. INFLATION, LACK OF JOBS, CROWDED LIVING CONDITIONS, SQUATTER OR STREET LIVING, THE HAND-TO-MOUTH EXISTENCE OF THE MANY JUXTAPOSED TO THE CONSPICUOUS CONSUMPTION OF A FEW ARE VOLATILE ELEMENTS IN INDONESIAN SOCIETY. DOMESTIC ORDER AND INTERNATIONAL BEHAVIOR WILL BE INFLUENCED BY INDONESIA'S ABILITY OR INABILITY TO CONVERT THE COUNTRY'S NATURAL RESOURCES INTO PROGRAMS BENEFITING THE POORER MASSES.

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 JAKART 07056 101215Z

5. THERE ARE FEW NEW POPULATION INITIATIVES TO BE TAKEN BY THE UNITED STATES VIS-A-VIS INDONESIA. THE GOI IS SOLIDLY COMMITTED TO A NATIONAL POPULATION/FAMILY PLANNING PROGRAM AND RECEIVES ABUNDANT ASSISTANCE FROM NUMEROUS AID SOURCES FOR THIS PROGRAM. FOR THE PAST FIVE YEARS THE GOVERNMENT HAS MADE CREDIBLE PROGRESS IN IMPLEMENTING A FIRST GENERATION FAMILY PLANNING

PROGRAM CONSISTING OF THE CONVENTIONAL MIX OF CLINICS, FIELDWORKERS AND SUPPORTING SERVICES. THESE EFFORTS HAVE RESULTED IN MORE THAN 10 PERCENT OF THE FERTILE WOMEN ON JAVA AND BALI NOW USING PUBLIC FAMILY PLANNING SERVICES. CURRENTLY THE GOVERNMENT IS MOVING INTO A SECOND GENERATION PHASE IN WHICH THE PROGRAM WILL

- A) EXPAND TO TEN PROVINCES ON THE OUTER ISLANDS;
- B) DEFINE A TARGET IN TERMS OF FERTILITY INSTEAD OF JUST NEW ACCEPTORS; C) EMPHASIZE TAKING FAMILY PLANNING SERVICES TO THE PEOPLE; D) EXPAND THE PROGRAM INTO THE PRIVATE SECTOR; AND E) EMPLOY "BEYOND FAMILY PLANNING" MEASURES TO ACCELERATE THE DESIRE FOR THE SMALL FAMILY NORM (SEE REF B). THE APPROPRIATE U.S. ROLE IN THESE INDONESIAN INITIATIVES IS TO PROVIDE NATIONAL AND INTERNATIONAL BEHIND-THE SCENES SUPPORT AND CONTINUED FLEXIBLE BILATERAL ASSISTANCE. SEE REF C FOR DETAILED REVIEW OF POPULATION SECTOR.

6. THE UNITED STATES SHOULD SEEK TO IMPROVE THE EFFECTIVENESS AND EFFICIENCY OF MULTILATERAL POPULATION ASSISTANCE TO INDONESIA. TO DATE THE JOINT IDA/UNFPA \$27 MILLION GRANT/LOAN FOR A FIVE YEAR POPULATION PROJECT SIGNED TWO YEARS AGO HAS BEEN UNSUCCESSFUL IN TRANSFERRING MEANINGFUL RESOURCES TO THE GOI. THIS DELAY HAS MEANT UNNECESSARY COSTS TO THE GOI IN TERMS OF PROGRAM ACTIONS. THE DELIVERY OF FAMILY PLANNING SERVICES AT THE LOCAL LEVELS, FOR EXAMPLE, SUFFERS DUE TO THE IDA/UNFPA'S INABILITY TO DELIVER NEEDED TRANSPORT. THE IBRD APPEARS TO BE APPLYING CAPITAL PLANNING AND PROGRAMMING TECHNIQUES TO THE POPULATION SECTOR WHICH ARE RIGID AND UNSUITED FOR SOCIAL SECTOR NEEDS. ON THE OTHER HAND, THE UNFPA LACKS THE WILL OR VIGOR TO TAKE POPULATION INITIATIVES IN LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 04 JAKART 07056 101215Z

INDONESIA. ALTHOUGH THERE HAS BEEN TALK THAT THE UNFPA WILL TAKE THE LEAD IN PROVIDING ASSISTANCE FOR THE EXPANSION OF THE GOI FAMILY PLANNING PROGRAM TO THE OUTER ISLANDS, UNFPA ASSISTANCE HAS NOT MATERIALIZED.

7. IN SUMMARY, THE GOI IS INCREASINGLY BOLD AND IMAGINATIVE IN ATTEMPTING TO PERSUADE THE INDONESIAN PEOPLE TO ADOPT A SMALL FAMILY NORM. A GOOD START HAS BEEN MADE. MUCH REMAINS TO BE DONE. NOTWITHSTANDING THE COUNTRY'S RECENT WINDFALL PROFITS FROM LIL, THE US SHOULD CONTINUE SELECTED POPULATION ASSISTANCE TO THIS INCREASINGLY VIABLE BUT VERY POOR AND HARD-PRESSED COUNTRY. REGARDING THE MULTILATERALS, IT IS HIGHLY DESIRABLE THAT THEY PROVIDE INCREASED ASSISTANCE. IF THE UNITED STATES VIEWS EASING OF INDONESIA'S POPU-

LATION PROBLEM AS CRITICAL TO THE STABILITY OF THE
COUNTRY AND ITS STABILIZING INFLUENCE IN THE REGION,
THEN IT SHOULD BE WILLING TO PROD THE MULTILATERAL
AGENCIES TO MORE EFFECTIVE ACTIONS AND TO CONTINUE TO
ASSIST THE PROGRAM.
NEWSOM

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: ECONOMIC DEVELOPMENT, POLICIES, PROGRAMS (PROJECTS), POPULATION MOVEMENTS, URBAN POPULATION
Control Number: n/a
Copy: SINGLE
Draft Date: 10 JUN 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: smithrj
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974JAKART07056
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D740148-0284
From: JAKARTA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19740660/aaaabzry.tel
Line Count: 175
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION SPM
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 4
Previous Channel Indicators:
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: A) STATE 112325 B) JAKARTA 4083 C) U, SAID POPULATION
Review Action: RELEASED, APPROVED
Review Authority: smithrj
Review Comment: n/a
Review Content Flags:
Review Date: 24 JUL 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <24 JUL 2002 by shawdg>; APPROVED <27 FEB 2003 by smithrj>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: REVIEW OF POPULATION POLICIES AND PROGRAMS
TAGS: SPOP, ID
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005